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Department of Defense Instruction ASD(ISA)

SUBJECT Method of Financing, Funding, Accounting, and Fiscal Reporting
for the Military Assistance Grant Aid Program

A list of related and cancelled DoD and other issuances, references (a) through (aa), is attached as enclosure 1.

I. AUTHORITY AND PURPOSE

This Instruction, issued under the authority and provisions of DoD Directive 5132.3 (reference (h)), prescribes uniform procedures for financing, funding, accounting and fiscal reporting for grant aid furnished to eligible foreign countries and international organizations, pursuant to the provisions of The Foreign Assistance of 1961 and Executive Order 10973 (references (a) and (b)).

II. CANCELLATION

DoD Instruction 7290.1 (reference (r)) is superseded and cancelled.
DoD Directive 2110.24 (reference (e)) is cancelled by DoD Transmittal 70-17, June 26, 1970.

III. SCOPE AND APPLICABILITY

The provisions of this Instruction apply to all Department of Defense (DoD) components and the Department of State (hereinafter collectively referred to as "implementing agencies") and cover all contract authorization and funds (including unexpended balances of prior year funds) made available to the DoD to carry out the grant aid program under the provisions of references (a) and (b) and related appropriation acts.

IV. DEFINITIONS

Terms used in this Instruction are defined in Appendix A, Military Assistance and Sales Manual, Part II (reference (c)). 1/

V. ADMINISTERING AGENCY

The President, by Executive Order 10973 (reference (b)), delegated to the Secretary of Defense the functions conferred upon the President by Part II of the Foreign Assistance Act of 1961, as amended (reference (a)), and the responsibility for the funds made available by the Congress for carrying out the provisions of references (a) and (b) and related appropriation acts. The responsibility for (a) implementing the budgeting and funding, and (b) prescribing the accounting and

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reporting procedures for Military Assistance Program (MAP) appropriations within the general policies prescribed by the Assistant Secretary of Defense (Comptroller) is hereby redelegated to the Comptroller, Military Assistance and Sales (MA&S).

VI. FINANCING

A. Appropriations. The funds to finance the Military Assistance grant aid program, provided by the Congress in appropriations to the President, are assigned to the Secretary of Defense as described in paragraph V above.

B. Transfer Appropriation Accounts

1. The Treasury Department has established MAP transfer appropriation accounts for use by implementing agencies.
2. Transfers of funds between the parent Military Assistance appropriation and the transfer appropriation accounts are made in accordance with the guidance provided by Title 7, Chapter 2, Section 4.10 of the General Accounting Office (GAO) Policy and Procedures Manual (reference (y)).

VII. FUNDING

A. Appropriation Limitations. The following appropriation limitation symbols are assigned:

1. 11*1080.001 Direct citation on contracts or other obligating documents for all direct obligations (except as shown under .003 below).
2. 11*1080.002 Reimbursements to regular DoD appropriations or funds for deliveries of materiel or the performance of services as indicated in Section 108 reservations (see definition in reference (c)).
3. 11*1080.003 Administration - direct obligation.
4. 11*1080.004 Contract Authorization.

NOTE: The asterisk (*) is replaced by inserting the digit for the applicable fiscal year, e.g., 1101080 for fiscal year 1970. The "00" in the limitation is replaced by inserting the two-digit country code of the country receiving the benefits or to which deliveries are made and is used either as a suffix or as an element of coding, if applicable.

Funds are made available by the Comptroller, MA&S, under the limitations enumerated above. Any additional administrative subdivisions of limitations are stated in the advices of allocations (see paragraph C below) and in separate instructions issued by the Comptroller, MA&S, (see C.1. below) and are controlled and accounted for in accordance with the provisions of DoD Directive 7200.1 (reference (j)).

- B. Apportionments. In accordance with the provisions of Bureau of the Budget (BoB) A-34. (reference (x)), and DoD Directive 7200.1 (reference (j)), the Comptroller, MA&S, prepares DD Form 1105 "Apportionment and Reapportionment Schedule", for the Military Assistance appropriation. This schedule is then submitted to the Assistant Secretary of Defense (Comptroller) for review and recommendation to BoB.

C. Allocations.

1. On the basis of approved programs, the Comptroller, MA&S, issues advice of allocation memoranda to implementing agencies to authorize the incurring of obligations against funds available for direct citation, Section 108 fund reservations, and contract authorization. The advices provide such restrictions as may be necessary to assure that the reservations and obligations incurred are kept within authorized limitations. Advices of allocations are supported by Military Assistance Program (MAP) orders, which represent the authority for agencies to implement specific portions of the approved programs. Allocations for Military Assistance programs are issued for two different basic uses: (a) direct obligation, and (b) reimbursement for Section 108 reservations. Funds to cover these allocations are transferred concurrently on SF 1151, Non-expenditure Transfer Authorization. Allocations of contract authorization are issued in accordance with the special authority of the Foreign Assistance Act of 1961, as amended (reference (a)). Funds to liquidate contract authorization are transferred only after appropriations have been enacted.

a. Direct Obligation

- (1) Appropriation Limitation .001. Allocations are made under appropriation limitation .001 for special MAP materiel procured in the Continental United States (CONUS), offshore procurement, training, certain services not included in Section 108 reservations (.002) or administrative expenses (.003).
- (2) Appropriation Limitation .003. Allocations are made available for administrative expenses, as defined

under budget activity T0 and budget projects T1 and T2 (see Enclosure 2), under appropriation limitation .003.

- b. Appropriation Limitation .002 (Reimbursements for Section 108 Reservations). Allocation of funds for Section 108 reservations are made to DoD components under appropriation limitation .002. Such allocations are available only for reimbursing DoD component appropriations upon delivery of materiel or performances of services, including partial or progress payments made from such appropriations (see DoD Instruction 7230.5, reference (n)). The partial or progress payments are documented in the usual manner, based upon actual expenditures, work performed, materiel installed, or a particular stage of completion. The DoD component appropriation which made the partial or progress payment is reimbursed for that portion of such partial or progress payment as is applicable to MAP items. Such reimbursement must be supported by a copy of the paid voucher evidencing payment made by the DoD component appropriation being reimbursed, together with the basis for ascertaining the portion thereof applicable to MAP. Such reimbursements should be accomplished promptly, but no later than during the month following the month in which the partial or progress payment is made. Appropriate financial accounts and records must be maintained to: (1) account for and report partial and progress payments charged to MAP appropriations; (2) preclude duplicate charges to MAP appropriations; and (3) provide for equivalent credit to MAP appropriations in the event of diversion of property paid for from MAP appropriations.

- c. Appropriation Limitation .004 (Contract Authorization). Whenever the President determines, under the authority of the Foreign Assistance Act of 1961, as amended, that it is vital to the security of the United States, defense services, and defense articles from the stocks of the DoD components, may be ordered and obligations entered into prior to an appropriation for the payment of such obligations. Concurrently with the issuance of MAP orders authorizing the implementation of programs approved pursuant to such determination, contract authorization, apportioned in accordance with paragraph B above, is allocated to DoD components under appropriation limitation .004. Obligations are recorded against the contract authorization when materiel has been delivered or services have been performed in the same manner as required for .002 reserved funds. Obligations so incurred are liquidated only from funds subsequently appropriated by the Congress and transferred by the Comptroller, MA&S

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for the specific purpose of making such reimbursements.
(See BoB Circular No. A-34, reference (x), for definition of contract authorization).

- D. Allocations and Allotments within the Implementing Agencies.
Allocations of MAP funds and contract authorization by the comptroller of the implementing agency to operating agencies, bureaus or commands, and allotments from operating agencies to field installations and activities follow the normal procedures and channels in accordance with DoD Directive 7200.1 (reference (j)).
- E. Cross-Servicing. DoD components follow normal procedures for cross-servicing arrangements in accordance with DoD Directive 4000.19 and DoD Instruction 7240.1 (reference (f) and (c)).

VIII. ACCOUNTING

Normal appropriation, fund, and property accounting procedures of the implementing agency are applicable to the accounting for MAP activities and property to the extent possible and in accordance with the following requirements:

- A. Uniform Budget Activity and Project Account Classification.
1. The accounting classification codes, including the budget activity and project codes, are the official fiscal codes. These codes are used in classifying financial and budgetary transactions and in preparing prescribed fiscal reports for the Military Assistance program.
 2. The generic code is a three digit code assigned to classify and identify the articles and services in the Military Assistance Articles and Services List (MASL) (see Appendix A to the Military Assistance and Sales Manual, Part II (reference (c))). The first two digits of the code are synonymous with the budget activity and project account classification. The third digit is an alphabetic character which identifies generic groupings of articles and services of similar characteristics.
 3. Implementing agencies must maintain individual accounts for each budget activity and budget project, as applicable. Transactions under limitation .001 are separately identified in the accounts and fiscal reports for "offshore procurement" and "other".
 4. The symbol numbers of the Military Assistance appropriations, including limitation accounts, and of the MAP budget activity or project accounts, are uniformly used in the coding of documents. Documents are coded in the same method and sequence as now prescribed by the implementing

agencies for regular appropriation transactions.

5. If the use of a prescribed budget activity or project for a specific transaction is questionable, guidance may be requested from the Comptroller, MA&S.

B. Additional Fiscal Coding.

1. Object class numbers for budgetary purposes are recorded in accordance with the provisions of BoB Circular No. A-12 (reference (w)).
2. The uniform two-digit MAP country codes prescribed in the Military Assistance and Sales Manual are used for expenditure transactions for services only to the extent that they are required to determine performance data by area or by country for reporting purposes.
3. Fiscal coding for reimbursements, allocations, allotments, stations and ships, etc., required by implementing agencies for regular appropriations, is also applicable to MAP accounting transactions.
4. Codes required for International Balance of Payments reports as stated in DoD Instruction 7060.2 (reference (i)).

C. Accounting for MAP Owned Materiel (MAPOM). MAP owned materiel is property purchased with MAP funds to meet country program requirements but which, for any of a number of reasons, has not been delivered to a foreign country recipient. Such materiel is stored by DoD components until delivered under a country program or otherwise disposed of. Financial accountability for MAPOM is the responsibility of the Comptroller, MA&S. The Deputy Assistant Secretary of Defense, Military Assistance and Sales, OASD(ISA), is responsible for management of MAP property and assignment of MAPOM items to country programs or making other disposition. The following classes of property are not accounted for as MAPOM:

1. Vehicles and other administrative property assigned to MAAGs, field training missions and other MAP supported overseas activities.
2. Materiel procured offshore held pending delivery.
3. Navy shipbuilding.

D. Appropriation Accounting. Appropriation limitation controls are administered in accordance with the procedures stated in Title 7, Section 5.4 of the GAO Policy and Procedures Manual (reference (y)). In addition to the controls prescribed for appropriation

limitations, the Comptroller, MA&S maintains direct control of amounts available for obligation under selected budget projects such as those for administrative, overhead and supply support costs by issuing annual financial plans to implementing agencies. These financial plans are revised periodically throughout the fiscal year as conditions require.

E. Accounting for Obligations on a Direct Citation Basis (Appropriation Limitations .001 and .003).

1. Individual transactions under .001 and .003 limitations are accounted for in accordance with regular established procedures for appropriations and funds of implementing agencies; that is, commitments at the time the procurement directives or related documents are issued, obligations at the time contracts or other obligating documents are consummated (see DoD Directive 7220.6, reference (k)), and disbursements at the time payments (including partial or progress) are made.
2. Transactions for MAP "offshore procurement" under limitation .001 are accounted for separately (see paragraph VIII A.3., above).

F. Accounting for Section 108 Reservations (.002) and Contract Authorization (.004). The following accounting procedures are prescribed to implement the provisions of the Foreign Assistance Act of 1961, as amended and Section 108, Public Law 208, 84th Congress (references (a) and (z)):

1. Military Assistance programs and orders are based upon the best estimates of stock status and prevailing prices, as stated in the Military Assistance Articles and Services List (MASL) (see Appendix A, reference (c)). The MAP order represents the program authorization to the DoD component. The items in the MAP order or amendments thereto, to be initially funded with DoD component appropriations or furnished to MAP from stocks, are appropriately coded. Except for MAP orders involving contract authorization issued pursuant to Presidential determinations under Foreign Assistance Act of 1961, as amended, funds are allocated and transferred to DoD components at the time the MAP orders are issued. MAP orders issued pursuant to the above cited determinations are funded separately.
2. DoD components are responsible for reporting changes in price and availability to the Deputy Assistant Secretary of Defense, MA&S, OASD(ISA) for all items of materiel and services on MAP orders. Procedures for submission of program

changes to effect these deviations are prescribed by the Military Assistance and Sales Manual (reference (c)). All changes in price or supply source, or cancellations, are documented by issuance of MAP order amendments.

3. MAP allocations to DoD components are adjusted by the Comptroller, MA&S simultaneously with issuance of MAP order amendments. Cumulative MAP allocations always reflect the current value of total MAP orders issued.
4. DoD components reimburse their regular appropriations or funds in accordance with the MAP appropriation prices as prescribed by DoD Directive 7200.7 (reference (1)), or DoD Directive 7420.1 (reference (t)), for appropriation financed or stock fund materiel, respectively, and DoD Directive 7410.4 (reference (s)), for services furnished by industrial funds, and cost for other services financed by appropriations.
5. Upon receipt of MAP orders the DoD components distribute the items and/or amounts in the approved supply program for each regular appropriation or working capital fund under which the procurement or issue will be accomplished. Such amounts are not recorded or reported in the Military Assistance transfer appropriation accounts as obligations incurred but as reservations.
6. The authority to incur obligations in applicable appropriations or funds in anticipation of reimbursements from MAP is contained in the Foreign Assistance Act of 1961, as amended and Section 108, Public Law 208, 84th Congress. Accordingly, the provisions of 31 U.S.C. 665 (Section 3679, Revised Statutes) are met by providing for the reservations of funds and allocations of contract authorization in the Military Assistance appropriation transfer accounts with an equal amount of "anticipated reimbursements" recorded in the regular appropriations or funds.
7. Concurrently with the inclusion of the amounts of MAP orders in approved supply programs, DoD components record as anticipated reimbursements in the applicable regular appropriations or working capital funds the amounts of such orders which are funded under limitation .002.
8. Because of the consolidation of MAP activities with those of other elements of the DoD components, the identity of any element of such consolidation is lost. No separate accounting is authorized to distinguish obligations and

expenditures which might be considered to have been made on behalf of MAP as distinct from those made on behalf of the regular funds of the DoD components. Accordingly, it is assumed that the available apportionments and obligations incurred under the regular appropriations apply to the combined totals of such funds. In the case of annual appropriations, if all of the consolidated program has not been obligated in the current year, the amount of anticipated reimbursements to be reported includes only the undelivered or unperformed portion of those MAP orders necessary to cover the obligations incurred in excess of other fund resources. The remainder of the undelivered or unperformed portion of MAP orders are reported as anticipated reimbursements for the regular appropriation of the ensuing fiscal year.

9. DoD components keep accounts for MAP orders in terms of both quantity and/or value, showing changes in the orders, deliveries, and undelivered balances of each item. The undelivered balances of MAP orders are kept in continuous agreement with the unobligated reservations for MAP orders outstanding under allocated funds and the unobligated contract authorization, limitations .002 and .004, respectively.
10. Billings by DoD components for materiel delivered are made on the basis of constructive delivery (see DoD Instruction 7220.13, reference (m)), including partial or progress payments from DoD component appropriations for items on a MAP order. Constructive delivery principles provide for the issuance of bills at the time materiel is delivered: (1) to a carrier (land, ocean or air) for transportation to the consignee, (2) "free on board" (F.O.B.), or "free alongside ship" (F.A.S.), at port of embarkation for shipment to the consignee. Billings are supported by the documentation prescribed in DoD Instructions 7220.13 and 7420.9 (references (m) and (u)) and include charges for accessorial costs in accordance with DoD Instruction 7510.4 (reference (v)). Credits to the MAP accounts are made if: (1) deliveries to MAP are cancelled, (2) the materiel is diverted to a non-MAP recipient, or (3) payment is made by a carrier for MAP property lost or damaged while in transit. Such credits are accounted for as adjustments to obligations and expenditures. Comparable adjustments are made to deliveries in the report of MAP performance and forecast.
11. When services included in MAP orders are payable with limitation .002 funds, billings for such services are made on the basis of work or services performed, i.e., accrued expenditures. The S.F. 1080 billings (see reference (y)) are supported with similar documentation required by DoD components for services furnished to other customers.

12. Section 108, Public Law 208, 84th Congress (reference (z)), provides, in effect, that charges for materiel and services originally financed under regular appropriations or funds are to be made against the MAP appropriation on the basis of materiel delivered or services performed. However, it may not be feasible, in all instances, to charge the MAP appropriation in the same month that the materiel is delivered or services are performed. Accordingly, for MAP orders issued as Section 108 reservations, the differences between reimbursements made and the reported values of deliveries and services are recorded under limitation .002 as unpaid obligations. Except for MAP orders issued under contract authorization, reimbursements are made promptly, and in no case later than thirty days after delivery/performance.

G. Responsibilities of MAP Clearing Office.

1. Each DoD component maintains a MAP clearing office to serve as a consolidated clearing point for fiscal and delivery accounting and reporting.
2. Each MAP clearing office is responsible for establishing obligations equal to the value of materiel delivered or services performed under limitations .002 and .004 and accomplishing payments from the Military Assistance appropriation to reimburse the regular appropriations or working capital funds. Obligations and billings are based on documentary evidence of materiel delivered or services performed. Such documents are retained in the billing office for audit purposes (see section XI below).

IX. REIMBURSEMENTS

Reimbursements to the Military Assistance appropriation are authorized under Sections 605(a) and (d) of the Foreign Assistance Act of 1961, as amended.

- A. Under Section 605(a), MAP materiel which has never been transferred to a foreign country or international organization may be sold to another U.S. Government agency (including a military department) for its own needs if excess to MAP requirements. Such sales are authorized by the Deputy Assistant Secretary, Military Assistance and Sales, OASD(ISA). Proceeds are credited to the Military Assistance appropriation parent account (11*1080).
- B. Under Section 605(d), materiel previously furnished as grant aid which has been returned by a recipient as no longer needed may be transferred to a foreign country or international organization on a foreign military sales basis or disposed of as excess if no further MAP requirement exists (see DoD Instructions 2110.8 and

4160.20, references (d) and (g)). Proceeds from such transfers or disposal sales are deposited to the Military Assistance appropriation parent account (11*1080).

- C. Reimbursements to the Military Assistance appropriation must be apportioned by BoB before they can be used for MAP funding (see paragraph VII.B. above).

X. PROCEDURES FOR TRANSFERRING MAP FUNDS AND TRANSACTIONS FROM PRIOR TO CURRENT FISCAL YEAR ACCOUNTS

- A. Section 108, Public Law 208, 84th Congress (reference (z)), requires that all available Military Assistance funds be maintained in one account. This account is used for all transactions involving Military Assistance during the current fiscal year. Expenditures from this account must remain within the limits of the amounts made available by the provisions of Section 108 and each annual appropriation act. Under the provisions of Section 108, the funds included in the account for each fiscal year are:

1. New annual appropriations.
2. Unobligated and unreserved balances continued available.
3. Certified unpaid obligations and reservations, pursuant to Section 1311.
4. Appropriation reimbursements from sale of MAP property.

- B. The following procedures are applied to accomplish the provisions of Section 108, Public Law 208, 84th Congress:

1. Actions Required by Implementing Agencies in Connection With June 30 Balances in Annual Military Assistance Appropriation Transfer Accounts.

- a. Each implementing agency prepares S.F. 1151, annotated "Accomplished Date as of June 30, 19__," to return all unobligated and unreserved balances remaining in the annual Military Assistance appropriation transfer account to the annual parent Military Assistance appropriation account. Such balances include the unobligated and unreserved balances of sub-allocations and allotments made to lower echelons.

All required copies of S.F. 1151 are submitted with the Section 1311 report to the Comptroller, MA&S, Attention: Finance and Accounting Division.

- b. After the Section 1311 report is prepared, the implementing agency prepares S.F. 1151 to transfer the amount of the certified unpaid obligations/reservations from the prior fiscal year Military Assistance appropriation transfer account to the current fiscal year Military Assistance appropriation transfer account. All required S.F. 1151's are submitted in original and three copies with the Section 1311 report to the Comptroller, MA&S, Attention: Finance and Accounting Division. These S.F. 1151's are annotated "Accomplished Date as of July 1, 19__." An accomplished copy of each S.F. 1151 is returned by the Treasury Department to the implementing agency.
- c. After June 30 of each fiscal year, all disbursements of Military Assistance funds are charged to the current fiscal year appropriation.

2. Actions Required by the Comptroller, MA&S, in Connection With the June 30 Balance in the Annual Parent Military Assistance Appropriation Account. The Comptroller, MA&S:

- a. Consolidates all transfers of unobligated and unreserved balances, as reported on the S.F. 1151's received from implementing agencies, with the parent account and reports the total unexpended balance in column 2 of the Section 1311 report.
- b. Reports the amount of unobligated and unreserved balances not carried forward in column 4 of the Section 1311 report. This amount is subject to withdrawal. S.F. 1151 is not prepared for this amount.
- c. Reports the amount of unobligated and unreserved balance authorized to be carried forward in column 11 of the Section 1311 report. S.F. 1151 is prepared to transfer such balance to the succeeding fiscal year parent account. All S.F. 1151's are submitted to the Assistant Secretary of Defense (Comptroller) with the Section 1311 report.

XI. AUDITABLE RECORDS. Each implementing agency must maintain auditable records of all transfers, adjustments, and other transactions made in accordance with the provisions of this Instruction.

XII. REPORTING


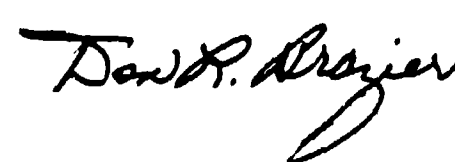
- A. Preparation and Submission of Monthly Reports on Budget Status. Each implementing agency receiving allocations of Military Assistance funds prepares and submits the original and two copies of DD Form 1176, "Report on Budget Status" to the Comptroller,

MA&S, Attention: Finance and Accounting Division, in accordance with the requirements of DoD Instruction 7250.7 (reference (q)).

- B. Preparation and Submission of the Report, "Appropriation Status by Fiscal Year Program and Subaccount". Each implementing agency receiving allocations of Military Assistance funds prepares and submits the original and one copy of the report, "Appropriation Status by Fiscal Year Program and Subaccounts," (RCS:DD-COMP(M)1002) to the Comptroller, MA&S, Attention: Finance and Accounting Division, in accordance with the requirements of DoD Instruction 7250.3 (reference (p)). MAP activities are reported in accordance with the monthly and quarterly formats prescribed in Enclosure 3. The monthly reports are abbreviated to show activity for each program year by appropriation limitation only. In addition, reports are prepared quarterly to show the distribution of these amounts by budget activities and projects prescribed in Enclosure 3.

XIII. EFFECTIVE DATE AND IMPLEMENTATION

- A. This Instruction is effective immediately.
- B. Implementing agencies will furnish:
1. Three (3) copies of implementing instructions to the Assistant Secretary of Defense (International Security Affairs) and one (1) copy to the Assistant Secretary of Defense (Comptroller) within sixty (60) days of the date of this Instruction.
 2. Furnish any subsequent modifications to the same Assistant Secretaries of Defense within ninety (90) days after issuance.

Assistant Secretary of Defense Acting Assistant Secretary of Defense
(International Security Affairs) (Comptroller)

Enclosures - 3

1. References
2. Budget Activity/Project Definitions
3. DD-COMP(M)1002-Reporting Formats

REFERENCES

- (a) The Foreign Assistance Act of 1961, as amended
- (b) Executive Order No. 10973, "Administration of Foreign Assistance and Related Functions," November 5, 1961
- (c) Military Assistance and Sales Manual, Part II
- (d) DoD Instruction 2110.8, "Transfer of Releasable Assets of the DoD to Eligible Foreign Countries and International Organization on a Foreign Military Sales Basis," April 4, 1967
- (e) DoD Directive 2110.24, "Basic Principles and Policies Relating to the Provisions of Section 108, Public Law 208, 84th Congress, 'Mutual Security Appropriation Act, 1956,' as Amended", January 10, 1957 (hereby cancelled)
- (f) DoD Directive 4000.19, "Basic Policies and Principles for Interservice and Interdepartmental Logistics Support," August 5, 1967, as amended
- (g) DoD Instruction 4160.20, "Reporting, Screening, and Disposition of Redistributable Military Assistance Program Property," December 20, 1967, as amended
- (h) DoD Directive 5132.3, "Department of Defense Policy and Responsibilities Relating to Military Assistance," July 8, 1963, as amended
- (i) DoD Instruction 7060.2, "International Balance of Payments Program - Accounting, Reporting, Estimating, and Establishing Targets," January 16, 1969, as amended
- (j) DoD Directive 7200.1, "Administrative Control of Appropriations within the Department of Defense," August 18, 1955, as amended
- (k) DoD Directive 7220.6, "Prerequisites for Recording and Reporting of Obligations," April 28, 1955, as amended
- (l) DoD Directive 7200.7, "Accounting and Pricing for Materiel Financed by Procurement Appropriations for Military Functions," December 16, 1964, as amended
- (m) DoD Instruction 7220.13, "Billing and Collection of Sales of Department of Defense Materiel," January 28, 1965, as amended
- (n) DoD Instruction 7230.5, "Budgeting, Funding and Accounting for Appropriation Reimbursement," July 26, 1960, as amended
- (o) DoD Instruction 7240.1, "Budgeting and Accounting Policies and Procedures for Interdepartmental Purchase Requests, Requisitions, Orders, Etc.," April 16, 1968
- (p) DoD Instruction 7250.3, "Report, Appropriation Status by Fiscal Year Program and Subaccounts," April 15, 1970

- (q) DoD Instruction 7250.7, "Monthly Reports on Budget Status," August 19, 1968
- (r) DoD Instruction 7290.1, "Method of Financing, Funding, Accounting, and Fiscal Reporting for the Military Assistance Grant Aid Program," October 6, 1961, as amended (hereby cancelled)
- (s) DoD Directive 7410.4, "Regulations Governing Industrial Fund Operations," January 2, 1970.
- (t) DoD Directive 7420.1, Regulations Governing Stock Fund Operations," January 26, 1967, as amended
- (u) DoD Instruction 7420.9, "Billing and Collection Procedures for Sales of Stock Fund Materiel, " March 13, 1967, as amended
- (v) DoD Instruction 7510.4, "Uniform Policy for Charging Accessorial and/or Administrative Costs Incident to Issues, Sales and Transfers of Materiels, Supplies and Equipment," April 7, 1967, as amended
- (w) Bureau of the Budget Circular A-12, "Uniform Classification According to Objects," July 22, 1960, as amended
- (x) Bureau of the Budget Circular A-34, "Instructions Relating to Apportionments and Reports on Budget Status," July 1960, as amended
- (y) General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies, September 1957, as amended
- (z) Public Law 208, 84th Congress, Section 108
- (aa) Mutual Security Act of 1954, as amended

BUDGET ACTIVITY/PROJECT DEFINITIONS

- AØ Aircraft. For the cost of aircraft as designated in AFR 66-11/AR 700-26/BUWEPs Instruction 13100.7 in a complete flyaway status, including the basic airframe unit, installed engines, armaments, electronics, airborne weapons, photographic equipment, and all other installed Government furnished equipment; modification of aircraft; aircraft support equipment and spares.
- BØ Missiles. For the cost of missiles and drones complete, with or without warheads and explosive components, whether in assembled or unassembled form; missile and missile system modification; missile support equipment and missile spares.
- CØ Ships. For the cost of new construction, activation, conversion, overhaul or modernization, including the cost of concurrent spare parts included as a part of the cost of the ship; follow-on ship and marine equipment and spares.
- DØ Combat Vehicles. For the cost of complete armored carriers, self propelled artillery, tanks, tank recovery vehicles, and other combat vehicles, including installed engines, armament, guns, fire control, electronics, and other equipment.
- EØ Tactical and Support Vehicles. For the cost of complete semi-trailers, trailers, trucks, support and other vehicles, including the combined chassis and body of special purpose vehicles.
- FØ Weapons. For the cost of guns, naval ordnance and other weapons, weapons spares and spare parts, including components and accessories.
- GØ Ammunition. For the cost of ammunition and grenades, landmines and explosives, naval ordnance ammunition, bombs, rockets, pyrotechnic and chemical munitions and other ammunition including components and accessories.
- HØ Communications Equipment. For the cost of telephone, telegraph, radio, television, radio navigation, underwater sounds, and other communications equipment, spares and spare parts.
- JØ Other Support Equipment. For the cost of chemical construction, photographic, materials handling and other equipment, training aids and devices, spares and spare parts.

KØ Supplies. For the cost of clothing and textiles, medical, dental, subsistence, general, industrial, petroleum, construction, automotive and electronic supplies.

LØ Support Operations.

- L1 Transportation Costs. For the cost of Government-furnished and commercial transportation of MAP materiel, other than first destination transportation, including the cost of temporary storage for thirty days while in transit.
- L2 Packing, Crating, Handling, Port Loading and Unloading Costs. For the cost of packing, crating, handling, and port loading and unloading of MAP materiel.
- L3 Operation and Maintenance of MAP Installations. For the cost of operation and maintenance of MAP installations and activities, such as MAAG housing in Korea.
- L4 Storage and Maintenance of MAP Stockpiles. For the cost incurred in the receipt, storage, issue and disposal of MAP-owned materiel held in segregated storage in authorized MAP-owned stockpiles and recorded in separately maintained inventory accounts; and in packing, crating, care and preservation of the MAP-owned stockpiles.
- L5 Offshore Procurement Expenses. For the administrative expense incident to offshore procurement activities devoted to purchasing and contracting for MAP materiel.
- L6 Logistic Management Expenses. For the cost of management, supervision, inspection, accounting, records control, editing, requisition, control, EAM and related services of the MAP. For the cost of interim support required in connection with the delivery of ships and aircraft under own power (float-away, fly-away) from point of outfitting or completion to destination points. For the cost of termination or cancellation of contracts for the procurement of MAP items which have been eliminated from the program and which have not been produced, exclusive of basic cost of the item itself.

MØ Maintenance of Equipment.

- M1 Contract Technicians and Contract Services. For the cost of activities of civilian contractor technicians, advisors, calibration teams, and other materiel teams; EAM rental and contract services when furnished to grant aid recipients; and all other related services required in connection with the MAP materiel program not otherwise provided for under other budget projects.
- M2 Repair and Rehabilitation of MAP Equipment. For the cost of repair and rehabilitation of MAP-owned in-service materiel (including MAP materiel for redelivery as redistributable MAP property). Excludes the cost of repair and rehabilitation of excess materiel.
- M3 Repair and Rehabilitation of Excess Materiel. For the identifiable cost of repairing and rehabilitating DoD excess materiel into usable and acceptable condition for delivery to MAP.

NØ Training

- N1 Student Training. For the cost of foreign student training, e.g., course cost of training foreign students at military or civilian institutions in the U.S. or at U.S. facilities overseas; observer and on-the-job training at various U.S. military activities; orientation tours to U.S. facilities; underway training in U.S. naval craft; and U.S. sponsored training in third countries. Includes course costs, travel expenses, living allowances, and Informational Program expenses.
- N2 Mobile Training Teams. For the cost of U.S. mobile training teams to conduct specific training in-country. Includes salaries, per diem allowances and travel expenses. Excludes the cost of materiel teams which are provided under budget project M1.
- N3 Field Training Services. For the cost of DoD Engineering Technical Services Specialists (ETSS) and Contract Field Services Personnel (CFS) to provide advice, instructions and training in the installation, operation and maintenance of weapons, equipment and systems. Excludes the cost of materiel contractor technicians which are provided under budget project M1.

- N4 MAAG and Command Training Support. For the cost of support of MAAG training personnel where primary duty is to train or advise host country forces; for expenses of subordinate commands and activities, which cannot be financed from tuition charges, in executing the MAP training programs; and for the Department of State administrative and operating support of MAAG training personnel. Includes civilian salaries and allowances, military station allowances, temporary duty travel, permanent change of station travel and transportation (excluding return PCS of military personnel), transportation of things, communications, rents, utilities, printing and reproduction, other contractual services, MAP share of MAAG aircraft cost, supplies and materials, and equipment, including passenger and non-passenger motor vehicles.
- N5 Training of U.S. MAP Personnel. For the cost of training U.S. MAP personnel, including: travel and per diem cost in connection with training on a TDY basis in Washington, D. C. for key personnel being assigned to MAP duties; travel, per diem and other cost in connection with training provided by Unified Command Headquarters personnel; and travel, per diem and other cost for training in skills peculiar to MAP assignments.
- N6 Extraordinary Expenses. For the cost of extraordinary expenses incident to providing limited official representation for foreign military trainees, as authorized by Section 636(g)(1) of the Foreign Assistance Act of 1961, as amended. Excludes trainee transportation and acclimation charges provided under student training and representation for purposes other than training.
- N7 Other Training Support. For the cost of training exercises, U.S. military guest lectures at foreign military schools; escort officers; student medical and burial expenses, supplies and materials (excluding training aids) used exclusively for MAP training; and rehabilitation of MAP training facilities when specifically approved by DASD, Military Assistance and Sales.

PØ Research and Development.

- P1 Development of Advance Design Weapons. For the cost incurred in encouraging the development of weapons of advance design by nations or international organizations eligible to receive military assistance. Includes the cost of research and development, items for testing and development, and expense related to the research and development of such advance design weapons.
- P2 Other Development Costs. For the cost of all other development activities involved in technical data exchange and the development of specific equipment, other than advance design weapons. Includes the cost of research and development, items for testing and development, and expense related to the research and development of such equipment.

QØ Construction

- Q1 Infrastructure. For the U.S. share of cost incurred in connection with U.S. participation in international cooperative agreements for construction of military public works made under the supervision and control of individual countries or international organizations.
- Q2 Other Construction. For the cost of new construction, enlargement, or modernization of MAP programmed facilities. Includes: architectural and engineering services; architectural and engineering services for MAAG facilities; new construction; construction of MAAG installations; U.S. administrative costs in connection with MAP construction and expansion of industrial plants and plant expansion.

RØ Special Activities

- R1 International Military Headquarters. For the U.S. contribution to the costs of International Military Headquarters; national support of U.S. elements to CENTO and SEATO; support of U.S. Mission, NATO; and personnel costs of U.S. personnel assigned to international positions in International Military Headquarters.
- R2 International Forces Support. For directed cost of international operations.

- R3 Expenses, Inspector General, Foreign Assistance, State. To be used by the State Department only.
- R4 Studies and Surveys. To be used upon specific authorization of OSD only.
- R5 Weapons Production Projects. For the cost of technical assistance, tools and equipment, engineering and operating costs necessary for the establishment, rehabilitation, expansion, modernization or modification of capacity for manufacture, maintenance, and storage of all types of armaments and components thereof, to be furnished under Weapons Production Project Agreements. Excludes real property, brick-and-mortar, indigenous labor and materials, or license fees incidental to the use of a process.
- R6 Extraordinary Expenses. For the cost of extraordinary expenses incident to providing limited official representation for foreign visitors, as authorized by Section 636(g)(1) of the Foreign Assistance Act of 1961, as amended. Excludes representation associated with the training program.
- R9 Other Special Activities. For cost of special or non-specific requirements when approved by DASD, Military Assistance and Sales.

SØ Foreign Military Credit Sales

- S1 Section 524 Sales, Foreign Assistance Act, 1961, as Amended (reference (a)). For amounts made available under Military Assistance appropriations to finance credit sales to foreign governments and international organizations under Section 524.
- S2 Section 103(c) Sales, Mutual Security Act, 1954 (reference (aa)). For amounts made available under Military Assistance appropriations to finance credit sales to foreign governments and international organizations under the first sentence of Section 103(c).

TØ Administration

- T1 Administrative Expenses, Departmental and Headquarters. For the cost of overall administration of the Military Assistance program at the seat-of-government and at major field command headquarters (United States and overseas). Includes civilian salaries and allowances, temporary duty travel, permanent change of station, travel and transportation (civilian

personnel only), transportation of things, communications, rents, utilities, printing and reproduction, other contractual services, supplies and materials, and equipment.

- T2 MAAG Administrative Expenses. For the cost of support of MAAG administrative personnel responsible for the overall administration of the Military Assistance program at the country/MAAG level; and for the Department of State support of MAAG administrative and operating personnel. Includes civilian salaries and allowances, military station allowances, temporary duty travel, permanent change of station travel and transportation (excluding return PCS of military personnel), transportation of things, communications, rents, utilities, printing and reproduction, other contractual services, MAP share of MAAG aircraft cost, supplies and materials, and equipment, including passenger and non-passenger motor vehicles.

DD-COMP(M)1002 - MONTHLY REPORTING FORMAT
BY PROGRAM YEAR AND FUND LIMITATION

1964 and prior programs *

Direct citation (.001)
MAP order reservations (.002)
Administration (.003)
Total - 1964 and prior programs

1965 program

(Same level of detail as for 1964 and prior programs above)

1966 program

(Same level of detail as for 1964 and prior programs above)

1967 program

(Same level of detail as for 1964 and prior programs above)

1968 program

(Same level of detail as for 1964 and prior programs above)

1969 program

(Same level of detail as for 1964 and prior programs above)

1970 program

(Same level of detail as for 1964 and prior programs above)

Summary by fund limitation

Direct citation (.001)
MAP order reservations (.002)
Administration (.003)
Total

* The programs cited are shown for format purposes. Separate identification of more than the six (6) most current fiscal year programs is not required. The preceding fiscal year programs are consolidated under a line titled "FY 19** and prior programs." Show the most current consolidated fiscal year program designation in lieu of the asterisks.

DD-COMP(M)1002 - QUARTERLY REPORTING FORMAT

PART I

MAP order reservations (.002) by activity*

AØ Aircraft	JØ Other Support Equipment
BØ Missiles	KØ Supplies
CØ Ships	MØ Maintenance of Equipment
DØ Combat Vehicles	PØ Research and Development
EØ Tactical and Support Vehicles	QØ Construction
FØ Weapons	RØ Special Activities
GØ Ammunition	SØ Foreign Military Credit Sales
HØ Communications Equipment	Total, PART I

*Also applies to (.004), whenever applicable. Report (.002) and (.004) separately.

PART II

A. Direct Citation (.001) by activity by project

1. Direct Procurement In U.S.

- AØ Aircraft
- BØ Missiles
- CØ Ships
- DØ Combat Vehicles
- EØ Tactical and Support Vehicles
- FØ Weapons
- GØ Ammunition
- HØ Communications Equipment
- JØ Other Support Equipment
- KØ Supplies
- LØ Supply Operations
 - L1. Transportation Costs
 - L2. Packing, Crating, Handling, Port Loading
and Unloading Costs
 - L3. Operation and Maintenance of MAP
Installations
 - L4. Storage and Maintenance of MAP Stockpiles
 - L5. Offshore Procurement Expenses
 - L6. Logistic Management Expenses
- Total

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- MØ Maintenance of Equipment
 - M1. Contract Technicians and Contract Services
 - M2. Repair and Rehabilitation of MAP Equipment
 - M3. Repair and Rehabilitation of Excess Materiel

Total

NØ Training

- N1. Student Training
- N2. Mobile Training Teams
- N3. Field Training Services
- N4. MAAG and Command Training Support
- N5. Training of U.S. MAP Personnel
- N6. Extraordinary Expenses
- N7. Other Training Support

Total

PØ Research and Development

- P1. Development of Advance Design Weapons
- P2. Other Development Costs

Total

QØ Construction

- Q1. Infrastructure
- Q2. Other Construction

Total

RØ Special Activities

- R1. International Military Headquarters
- R2. International Forces Support
- R3. Expenses, Inspector General, Foreign Assistance, State
- R4. Studies and Surveys
- R5. Weapons Production Projects
- R6. Extraordinary Expenses
- R9. Other Special Activities

Total

SØ Foreign Military Credit Sales

- S1. Section 524 Sales, FAA 1961, as amended
- S2. Section 103(c) Sales, MSA 1954, as amended

Total

Total, Direct Procurement in U.S.

2. Offshore Procurement

(same level of detail as for direct procurement
in U.S. above)

Total, Offshore Procurement

Total, Direct Citation (.001)

B. Administration (.003) by activity and project

TØ Administration

T1. Administrative Expenses, Departmental and
Headquarters

T2. MAAG Administrative Expenses

Total Administration

Total, Part II

Total, Parts I and II

115027
605-5104

DEPARTMENT OF DEFENSE DIRECTIVES SYSTEM TRANSMITTAL

NUMBER

7290.1 - Ch 1

DATE

September 2, 1971

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7200 series

ATTACHMENTS - 2

Enclosure 1 to DoD Instruction 7290.1, June 22, 1970

✓

INSTRUCTIONS FOR RECIPIENTS

The following pen and page changes to Department of Defense 7290.1, "Method of Financing, Funding, Accounting, and Fiscal Reporting for the Military Assistance Grant Aid Program," dated June 22, 1970, have been authorized:

PEN CHANGES

1. Page 5, Subsection VII, E. - Change the third line to read:
"4000.19 and Part II, Section 5, ASPR (reference (f) and (o))."
2. Page 9, Paragraph VIII, F. 10 -
 - a. Lines two and three - Delete: "(see DoD Instruction 7220.13, reference (m))."
 - b. Change lines 11 and 12 to read:
"prescribed in DoD Instruction 7420.12 (reference (u)) and include changes for accessorial costs in"

Changed portions are underscored.

PAGE CHANGES

Remove: Enclosure 1

Insert: Attached replacement pages.

Changes appear on both pages and are indicated by marginal asterisks.



MAURICE W. ROCHE
Director, Correspondence and Directives Division
OASD(Administration)

WHEN PRESCRIBED ACTION HAS BEEN TAKEN, THIS TRANSMITTAL SHOULD BE FILED WITH THE BASIC DOCUMENT

SD FORM 106-1

Jun 22, 70 #

REFERENCES

- (a) The Foreign Assistance Act of 1961, as amended
- (b) Executive Order No. 10973, "Administration of Foreign Assistance and Related Functions," November 5, 1961
- (c) Military Assistance and Sales Manual, Part II
- (d) DoD Instruction 2110.8, "Transfer of Releasable Assets of the DoD to Eligible Foreign Countries and International Organization on a Foreign Military Sales Basis," April 4, 1967
- (e) DoD Directive 2110.24, "Basic Principles and Policies Relating to the Provisions of Section 108, Public Law 208, 84th Congress, 'Mutual Security Appropriation Act, 1956,' as Amended", January 10, 1957 (hereby cancelled)
- (f) DoD Directive 4000.19, "Basic Policies and Principles for Interservice and Interdepartmental Logistics Support," August 5, 1967, as amended
- (g) DoD Instruction 4160.20, "Reporting, Screening, and Disposition of Redistributable Military Assistance Program Property," February 19, 1971
- * (h) DoD Directive 5132.3, "Department of Defense Policy and Responsibilities Relating to Military Assistance," July 8, 1963, as amended *
- (i) DoD Instruction 7060.2, "International Balance of Payments Program - Accounting, Reporting, Estimating, and Establishing Targets," January 16, 1969, as amended
- (j) DoD Directive 7200.1, "Administrative Control of Appropriations within the Department of Defense," August 18, 1955, as amended
- (k) DoD Directive 7220.6, "Prerequisites for Recording and Reporting of Obligations," April 28, 1955, as amended
- (l) DoD Directive 7200.7, "Accounting and Pricing for Materiel Financed by Procurement Appropriations for Military Functions," December 16, 1964, as amended
- * ~~(m) DoD Instruction 7220.13, "Billing and Collection of Sales of Department of Defense Materiel," January 28, 1965, as amended~~ *
- * ~~==of-Department-of-Defense-Materiel,==January-28,-1965,==~~ *
- * ~~==as-amended==~~ *
- (n) DoD Instruction 7230.5, "Budgeting, Funding and Accounting for Appropriation Reimbursement," July 26, 1960, as amended
- * (o) Part 11, Section 5, Armed Services Procurement Regulation *
- (p) DoD Instruction 7250.3, "Report, Appropriation Status by Fiscal Year Program and Subaccounts," April 15, 1970

#First amendment (Ch 1, 9/2/71)

- (q) DoD Instruction 7250.7, "Monthly Reports on Budget Status," August 19, 1968
- (r) DoD Instruction 7290.1, "Method of Financing, Funding, Accounting, and Fiscal Reporting for the Military Assistance Grant Aid Program," October 6, 1961, as amended (hereby cancelled)
- (s) DoD Directive 7410.4, "Regulations Governing Industrial Fund Operations," January 2, 1970.
- (t) DoD Directive 7420.1, Regulations Governing Stock Fund Operations," January 26, 1967, as amended
- * (u) DoD Instruction 7420.12, "Billing, Collection, and Accounting *
* for Sales of Materiel from Stock," July 28, 1970 *
- (v) DoD Instruction 7510.4, "Uniform Policy for Charging Accessorial and/or Administrative Costs Incident to Issues, Sales and Transfers of Materials, Supplies and Equipment," April 7, 1967, as amended
- (w) Bureau of the Budget Circular A-12, "Uniform Classification According to Objects," July 22, 1960, as amended
- (x) Bureau of the Budget Circular A-34, "Instructions Relating to Apportionments and Reports on Budget Status," July 1960, as amended
- (y) General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies, September 1957, as amended
- (z) Public Law 208, 84th Congress, Section 108
- (aa) Mutual Security Act of 1954, as amended